

TESTIMONY BY
THE HONORABLE ALEXANDER M. HAIG, JR.
SECRETARY OF STATE

BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE
OPEN SESSION
OCTOBER 1, 1981

I WOULD LIKE TO START BY SUMMARIZING WHAT I DISCUSSED
WITH YOU IN MORE DETAIL IN EXECUTIVE SESSION THIS MORNING.

FOR SEVERAL MONTHS WE HAVE BEEN WORKING WITH THE SAUDIS
TO DEVELOP ARRANGEMENTS THAT WILL MEET THE CONCERNS THAT
THE CONGRESS HAS EXPRESSED ABOUT THE PROPOSED ARMS SALES TO
SAUDI ARABIA. THESE DISCUSSIONS HAVE NOW BEEN CONCLUDED.
WE BELIEVE THAT THE RESULTING UNDERSTANDINGS WHICH WILL
COME INTO EFFECT AFTER CONSUMMATION OF THE SALE WILL
ENSURE THE SECURITY OF THE AWACS SYSTEM, AND THE DEGREE

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OF CONTINUING U.S. PARTICIPATION IN SAUDI AWACS OPERATIONS THAT RESPOND TO THE FUNDAMENTAL CONCERNS ABOUT THE SALE THAT HAVE BEEN RAISED DURING THE COURSE OF OUR CONSULTATIONS WITH THE CONGRESS.

THE SAUDIS HAVE AGREED TO ENSURE AN IMPORTANT U.S.
ROLE IN THE DEVELOPMENT OF THE SAUDI AIR DEFENSE SYSTEM
AND TO MOVE FORWARD IN OTHER WAYS TO DEEPEN THE LONG-
STANDING SECURITY COOPERATION BETWEEN OUR TWO COUNTRIES
IN WHICH WE HAVE PLAYED A KEY ROLE IN TRAINING THE SAUDI
AIR FORCE. WITHIN THIS FRAMEWORK, WE HAVE REACHED UNDER-
STANDINGS ON A NUMBER OF SPECIFIC PROVISIONS GOVERNING THE
AWACS AIRCRAFT THAT PROVIDE IMPORTANT BENEFITS FOR U.S.
SECURITY INTERESTS: THESE ARRANGEMENTS HAVE BEEN REACHED

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IN THE CONTEXT OF FIRM SAUDI AGREEMENT ON INFORMATION
SHARING, SECURITY OF EQUIPMENT, NO UNAUTHORIZED TRANSFER OF
DATA OR EQUIPMENT, AND USE OF THE AWACS ONLY IN A DEFENSIVE
MISSION WITHIN SAUDI BORDERS.

THIS MEANS:

-- THERE WILL BE COMPLETE DATA SHARING WITH THE
U.S. ON A CONTINUOUS BASIS.

-- THERE WILL BE NO SHARING OF AWACS DATA WITH ANY
OTHER PARTIES WITHOUT U.S. CONSENT.

-- ONLY CAREFULLY-SCREENED SAUDI AND U.S. NATIONALS
WILL BE PERMITTED TO BE INVOLVED WITH THESE AIRCRAFT. GIVEN
THE SHORTAGE OF SAUDI AIRCREWS AND TECHNICIANS THIS MEANS
THAT THERE WILL BE AN AMERICAN PRESENCE IN THE AIRCRAFT AND

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ON THE GROUND WELL INTO THE 1990'S.

-- THERE WILL BE NO OPERATION OF SAUDI AWACS
OUTSIDE SAUDI AIRSPACE.

-- THERE WILL BE EXTENSIVE AND ELABORATE SECURITY
MEASURES FOR SAFEGUARDING EQUIPMENT AND TECHNOLOGY, INCLUDING:

- U.S. INSPECTION TEAMS WILL MONITOR THE PERFORMANCE
OF ALL EQUIPMENT ASSOCIATED WITH THE AWACS SALE;

- SPECIAL FACILITIES WILL BE CONSTRUCTED TO
PROVIDE ROUND THE CLOCK SECURITY PROTECTION AGAINST
UNAUTHORIZED ENTRY;

- ALL OF THE AGREED ARRANGEMENTS FOR PROTECTING
THE SECURITY OF AWACS MUST BE APPROVED BY THE U.S. AT
LEAST ONE YEAR BEFORE ANY AWACS ARE DELIVERED TO THE SAUDIS.

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TAKEN TOGETHER, THIS PACKAGE OF SAFEGUARDS AND AGREEMENTS ADDRESSES THE FUNDAMENTAL CONCERNS THAT HAVE BEEN VOICED ABOUT THE SALE AND ALSO REFLECTS A SAUDI WILLINGNESS TO WORK WITH US AND ENGAGE OUR MUTUAL CONCERNS.

FAR MORE IS INVOLVED IN THE PROPOSED ARMS SALES TO SAUDI ARABIA THAN THE TECHNICAL CAPABILITIES OF FIVE AIRCRAFT. AT STAKE IS WHETHER THE UNITED STATES WILL BE ABLE TO PURSUE A COHERENT POLICY IN A REGION WHERE THE ARAB-ISRAELI DISPUTE DIVIDES OUR CLOSEST FRIENDS AND WHERE THE SOVIETS AND THEIR PROXIES THREATEN OUR VITAL INTERESTS.

OUR STRATEGY MUST VIGOROUSLY PURSUE BOTH PEACE AND SECURITY. PROGRESS TOWARD EACH OF THESE TWIN GOALS

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SUPPORTS PROGRESS TOWARD THE OTHER. IF OUR FRIENDS ARE MORE SECURE, THEY WILL BE MORE ABLE TO TAKE RISKS FOR PEACE. IF THERE IS PROGRESS TOWARD PEACE, THE COOPERATION THAT IS VITAL FOR SECURITY WILL BE EASIER.

THE "CONSENSUS OF STRATEGIC CONCERN" AMONG OUR FRIENDS IN THE MIDDLE EAST IS NOT A FIGMENT OF THE IMAGINATION. THE FRAGILE CEASEFIRE ALONG THE ISRAELI-LEBANESE BORDER DEMONSTRATES A WIDESPREAD UNDERSTANDING OF THE NEED FOR PEACE AND A RECOGNITION THAT ONLY THE SOVIET UNION AND ITS PROXIES BENEFIT FROM VIOLENCE. ISRAELI RESTRAINT AND SAUDI COOPERATION HAVE BROUGHT ABOUT A RESULT CRUCIAL TO PROGRESS TOWARD A WIDER PEACE IN THE REGION. THERE ARE MANY PEOPLE WHO ARE ALIVE IN THE MIDDLE

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EAST TODAY BECAUSE OF THOSE EFFORTS. WE WILL CONTINUE, THROUGH THE EFFORTS OF AMBASSADOR HABIB AND THE GOOD OFFICES OF SAUDI ARABIA, TO SEEK PROGRESS TOWARD PEACE IN LEBANON.

THE MOST IMPORTANT COOPERATION IN THE MIDDLE EAST TODAY IS THE COOPERATION BETWEEN ISRAEL AND EGYPT IN THE PEACE PROCESS. PRESIDENT REAGAN HAS AFFIRMED HIS PERSONAL COMMITMENT TO THE CAMP DAVID AGREEMENTS AND THE PROCESS THEY HAVE SET IN MOTION. WE WELCOME ENTHUSIASTICALLY THE DECISION BY EGYPT AND ISRAEL TO RESUME THE AUTONOMY NEGOTIATIONS AND WE LOOK FORWARD TO THE FRUITS OF THOSE NEGOTIATIONS.

IN THE WAKE OF THE SHOCKS OF THE LAST FEW YEARS, COUNTRIES IN THE REGION ALSO RECOGNIZE THE NEED FOR

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GREATER COOPERATION TO REBUILD REGIONAL SECURITY.
DEVELOPING EGYPTIAN AND ISRAELI SECURITY COOPERATION
WITH THE UNITED STATES; THE GULF COOPERATION COUNCIL
THAT HAS BEEN NEWLY CREATED UNDER SAUDI LEADERSHIP,
AND SAUDI SECURITY ASSISTANCE TO A NUMBER OF THREATENED
STATES, ARE ALL SIGNS OF THIS GROWING RECOGNITION.

OUR POLICY IS TO PURSUE ENHANCED SECURITY
COOPERATION WITH ALL OF OUR FRIENDS IN THE REGION.
WE DO NOT SEEK A MASSIVE STRUCTURE OF BASES, A
PERVASIVE PRESENCE, AND DEPENDENT CLIENT-STATES. WE
RESPECT THE SOVEREIGNTY OF OUR FRIENDS, AND WANT TO
HELP THEM PRESERVE THEIR INDEPENDENCE.

OUR REGIONAL STRATEGY CONSISTS OF THE FOLLOWING

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ELEMENTS:

-- IMPROVING OUR OWN MILITARY POSITION IN AND
NEAR THE REGION.

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- STRENGTHENING THE DEFENSE CAPABILITIES OF OUR
FRIENDS.

-- RESTORING CONFIDENCE IN THE U.S. AS A RELIABLE
PARTNER.

-- PURSUING A PERMANENT PEACE IN THE REGION.

THE PROPOSED SALE CONTRIBUTES IMPORTANTLY TO EACH
OF THESE ELEMENTS:

FIRST, THE INFORMATION SHARING ARRANGEMENTS WILL ALSO PROVIDE

U.S. FORCES EARLY WARNING OF HOSTILE ACTIVITIES IN THE GULF.

MOREOVER, THE ASSOCIATED INFRASTRUCTURE TO SUPPORT U.S.

DEPLOYMENT SHOULD OUR ASSISTANCE BE REQUESTED IN TIMES OF

CRISIS WOULD BE IN PLACE.

SECOND, THE PACKAGE WILL BOLSTER SAUDI CAPABILITIES TO DEFEND THEIR COUNTRY AND THEIR CRUCIAL OIL FACILITIES.

THIRD, IT WILL ALSO DEMONSTRATE THAT WE TAKE SAUDI SECURITY NEEDS SERIOUSLY AND CAN BE COUNTED ON TO HELP.

FOURTH, A SECURE SAUDI ARABIA CONFIDENT OF U.S. SUPPORT WILL BE BETTER ABLE TO PROCEED WITH ITS POLICY OF ENCOURAGING ALL PARTIES TO MOVE TOWARD PEACE IN THE REGION.

WE MUST NOT UNDERESTIMATE THE RANGE AND SEVERITY OF THE UNPREDICTABLE THREATS THAT ARISE IN THIS TURBULENT REGION. TWICE IN LESS THAN TWO YEARS THE U.S. HAS HAD TO DEPLOY AWACS TO SAUDI ARABIA IN RESPONSE TO UNEXPECTED THREATS -- FIRST DURING THE YEMEN CRISIS IN 1979 AND THEN DURING THE IRAQ-

IRAN WAR. QADDAFI HAS THREATENED TO DESTROY

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SAUDI OIL FACILITIES IF THE SAUDIS CONTINUE TO MAINTAIN PRODUCTION LEVELS THAT UNDERCUT LIBYA'S HIGH OIL PRICES. THIS MORNING'S IRANIAN AIR RAID ON KUWAIT IS DRAMATIC EVIDENCE OF THE CONTINUED THREAT TO THE REGION'S STABILITY.

FOR ALL THESE REASONS, WE BELIEVE THE PROPOSED SALES SERVE VITAL U.S. INTERESTS. WE RECOGNIZE THAT THE SALES RAISE QUESTIONS ABOUT ISRAELI SECURITY AND ABOUT THE COMPROMISE OF ADVANCED U.S. TECHNOLOGY. IN BOTH CASES, HOWEVER, WE BELIEVE THAT THESE CONCERNS HAVE BEEN EFFECTIVELY ACCOMMODATED BY THE ARRANGEMENTS I HAVE JUST DESCRIBED AND BY OUR SECURITY AND INTELLIGENCE ASSISTANCE TO ISRAEL.

THE UNITED STATES IS FUNDAMENTALLY AND UNALTERABLY COMMITTED TO THE SECURITY OF ISRAEL. A STRONG ISRAEL IS REQUIRED BY OUR INTERESTS AND OUR HOPES FOR PEACE AND

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SECURITY IN THE MIDDLE EAST. FOR OUR PART WE ARE DETERMINED TO TAKE STEPS TO MINIMIZE ANY ADVERSE IMPACT OF THE SALE AND TO MAINTAIN THE QUALITATIVE EDGE UPON WHICH ISRAEL DEPENDS.

PRESIDENT REAGAN WOULD NOT HAVE AUTHORIZED THIS SALE IF HE BELIEVED IT WOULD JEOPARDIZE ISRAEL'S SECURITY.

ON THE CONTRARY, WE BELIEVE THAT THE RISKS FOR ISRAEL ARE GREATER IF U.S.-SAUDI COOPERATION IS DISRUPTED AND SAUDI ARABIA IS LEFT INSECURE OR FORCED TO TURN ELSEWHERE FOR EQUIPMENT.

CONSIDER THE RISKS OF NOT MAKING THE SALE. A VETO WOULD DEAL A SERIOUS SETBACK TO OUR EFFORTS TO COUNTER SOVIET AND SOVIET PROXY THREATS IN THE REGION AND TO MOVE FORWARD IN THE PEACE PROCESS.

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A VETO WOULD ERODE BOTH U.S. AND SAUDI CREDIBILITY. IT IS URGENT TO CONVINCE LOCAL COUNTRIES THAT THE U.S. HAS THE MILITARY MEANS TO PROTECT THEM AND THE WILL TO DO SO. STRENGTH AND THE CAPACITY FOR DECISIVE ACTION ARE UNIVERSALLY ADMIRERD, AND PERHAPS NOWHERE MORE THAN IN THE MIDDLE EAST. YET INCREASINGLY OVER THE LAST FEW YEARS, THE STATES OF THIS REGION HAVE COME TO VIEW US AS VACILLATING AND IRRESOLUTE. UNLESS WE CHANGE THAT PERCEPTION, THE COSTS OF WITHSTANDING SOVIET AND RADICAL PRESSURES WILL OUTWEIGH THE BENEFITS OF COOPERATING WITH US.

WE HAVE BEGUN TO REVERSE THE TREND OF RISING DOUBTS ABOUT THE U.S. OUR DETERMINATION TO REBUILD OUR MILITARY STRENGTH; OUR STRATEGIC DISCUSSIONS WITH OUR REGIONAL FRIENDS; OUR COMMITMENT TO THE CAMP DAVID PEACE PROCESS

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INCLUDING OUR PARTICIPATION IN THE SINAI MULTILATERAL
PEACE-KEEPING FORCE; OUR INCREASED SECURITY ASSISTANCE TO
THREATENED STATES; HAVE ALL BEGUN TO RESTORE OUR REPUTA-
TION AS A RELIABLE PARTNER.

THESE POSITIVE TRENDS WILL BE DAMAGED IF THE SALE IS
TURNED DOWN. SAUDI CONFIDENCE IN THE ABILITY OF THE UNITED
STATES TO CONDUCT A COHERENT AND EFFECTIVE FOREIGN POLICY
WILL BE DIMINISHED. THE PAINSTAKING TASK OF RESTORING CONFIDENCE AND HOPE WILL, OF NECESSITY, HAVE TO BEGIN AGAIN.

THE UNITED STATES AND SAUDI ARABIA WILL REMAIN BOUND
TOGETHER BY COMMON DESIRES TO AVOID REGIONAL CONFLICT AND
TO COUNTER SOVIET THREATS. BUT IF THE SAUDIS QUESTION OUR
RELIABILITY, WILL THEY FEEL MORE ABLE TO WITHSTAND PRESSURE

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AGAINST CLOSER COOPERATION WITH US IN REGIONAL DEFENSE
EFFORTS? WILL THEY FEEL MORE ABLE TO RUN RISKS AND JOIN
THE PEACE PROCESS? MORE WILLING TO CONTINUE TO HELP OTHER
THREATENED STATES? AS PRESIDENT SADAT OF EGYPT HIMSELF
SAID YESTERDAY: "A REFUSAL TO GIVE THE AWACS WILL RAISE
A HUGE QUESTION MARK BECAUSE SAUDI ARABIA IS ONE OF THE
CLOSEST AMERICAN FRIENDS IN THE REGION."

THE SAUDIS HAVE SHOWN SENSITIVITY TO OUR CONCERNS
FAR MORE THAN OTHER SUPPLIERS WOULD ASK OF THEM. WE,
FOR OUR PART, MUST ALSO SHOW SENSITIVITY FOR LEGITIMATE
SAUDI CONCERNS ABOUT THEIR SOVEREIGNTY AND INDEPENDENCE.
LET ME EMPHASIZE THAT THIS IS NOT SIMPLY A MATTER OF
NATIONAL PRIDE ON THEIR PART. IT IS A MATTER OF SUSTAIN-

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ING CREDIBLE AND CONSTRUCTIVE SAUDI LEADERSHIP AS A
MODERATING INFLUENCE IN THE ARAB WORLD.

WE MUST NOT LOSE THE OPPORTUNITY WE NOW HAVE TO
WORK WITH A STRENGTHENED, CONFIDENT SAUDI ARABIA THAT
ENJOYS INCREASING INFLUENCE IN THE ARAB AND ISLAMIC WORLD.
THE LARGE AND CONTINUING U.S. ROLE IN THE SAUDI AIR DEFENSE
PROGRAM AND THE MEASURES I HAVE DESCRIBED TODAY CAN AND
MUST BE THE FOUNDATION FOR FURTHER COOPERATION TO PROTECT
OUR COMMON INTERESTS IN THE VITAL PERSIAN GULF REGION.

NOW IT IS FOR YOU TO PROMOTE THAT PROSPECT BY YOUR
FAVORABLE DECISION ON THIS CRUCIAL SALE. PROTECTING OUR
VITAL INTERESTS AGAINST THE SOVIETS AND THEIR PROXIES
DEMANDS NO LESS, BUILDING A LASTING PEACE DEMANDS NO LESS.

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IN THE END, YOUR APPROVAL WILL MAKE THE UNITED STATES AND
ALL OF OUR FRIENDS IN THE AREA MORE SECURE.